

CONFIDENTIAL SECURITY INFORMATION

CENTRAL INTELLIGENCE AGENCY

REPORT NC

STATISTICS

CD NO.

DATE OF
INFORMATION June 9-15, 1952

DATE DIST. 14 Jul 52

NO. OF PAGES 1

SUPPLEMENT TO
REPORT NO.

CHANGE TO
UNCLASSIFIED
PER REGRADING
BULLETIN NO. 20

LANGUAGE

THIS IS UNEVALUATED INFORMATION

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF ESPIONAGE ACT NO. U. S. C., 31 AND 32, AS AMENDED. ITS TRANSMISSION OR THE REVELATION OF ITS CONTENTS IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW. REPRODUCTION OF THIS FORM IS PROHIBITED.

SOURCE

STATINTL

CPW Report No. 26 -- COMMUNIST CHINA

(June 9-15, 1952)

CLASSIFICATION

[illegible]

SUMMARY

In officially declaring the antiwaste, anticorruption, antibureaucracy drive ended, Premier Chou uses harsh words to denounce heavy fines and exaggerated charges against private businessmen who had destroyed their businesses. Some cadres promoting the drive, though apparently "politically conscious" and well indoctrinated, are charged with "lacking a knowledge of economics and finance." Yet the East China Communist Party claims that the drive "strengthened its leadership," and gave it a firmer hold on Chinese life. These developments confirm two facts that already were apparent: that leaders failed to foresee the excesses of the anticorruption drive; and that its aim was to build the Communist Party, not to improve China socially or economically.

Labor leader Ho Chien-hsiu, after a trip to the USSR, seems most impressed by the fact he visited the house where Stalin was born; Government leader Kuo Mo-jo is elated at "recognition of Chinese art by the USSR"; Chinese students in Russia who made valuable contributions to railway transport engineering give full credit to their Russian associates. However, the rank and file of Chinese workers seem less willing to worship everything Russian. Meetings are necessary, and numerous cadres are sent into shops and factories, to convince "backward workers" who resist Russianization, even on the Chinese-Changchun Railway. One Chinese official, with brutal frankness, asserts that Chinese technicians "are not up to standard," and must copy the Russians.

Peasants still are unable to find markets for their products, with the Government forced to lend them funds to buy necessities. Boasts of savings on construction projects apparently are mere excuses for materials shortages. On the Chingchiang flood control project, material was saved by weakening the structures, while so-called savings on one railway simply meant shortening the line. Steps toward the Russianization of agriculture are obvious in instructions to rural cadres to study Russian farm life and the Soviet system.

CONFIDENTIAL